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Board of County Commissioners Agenda Request 10

Attachment # 3
Page 1 of 2**Date of Meeting:** March 22, 2005**Date Submitted:** March 16, 2005

To: Honorable Chairman and Members of the Board
From: Parwez Alam, County Administrator
Lillian Bennett, Human Resources Director
Subject: Board Workshop on County Employee Health Insurance Options

Statement of Issue:

This agenda item seeks the ratification of Board actions taken at the February 22, 2005 workshop on County Employee Health Insurance Options.

Background:

On February 22, 2005, the Board held a workshop to discuss County Employee Health Insurance Options. Leon County currently contracts with Capital Health Plan (CHP) and Vista (formerly Health Plan Southeast) for the provision of medical services for its employees. Both CHP and Vista currently provide Health Maintenance Organization (HMO) benefit plans. United Health Care (United), a new provider in the Leon County service area, has also expressed an interest in becoming a provider of health insurance services to County employees.

This workshop addressed the following issues related to County Employee Health Insurance:

- Results of Health Insurance Survey
- Analysis of Physician and Hospital Network
- Five-Year History of County Medical Costs
- Request for Proposals and Insurance Options
 - Fully Insured HMO Option
 - Fully Insured POS Option
 - Fully Insured PPO Option
- Feasibility of Group Health Insurance Consortium (County, City and School Board)
- Opt-Out/Spouse Program Proposal

Analysis:

The Board approved options #1, #2, #3, 4b and 4c as follows:

Option #1. Direct staff to issue Request for Proposal (RFP) on County Employee Health Insurance to include proposals on the following:

- a. Fully Insured HMO Plan
- b. Fully Insured POS Plan
- c. Fully Insured PPO Plan.

Option #2. Direct staff to negotiate an agreement under State Contract #973-500-03-01, Benefits Consulting and Actuarial Services, with one of the three vendors listed under the State Contract to provide health benefits consulting in an amount not to exceed \$40,000 from general fund contingency and authorize the Chairman to execute.

Option #3. Contingent upon the pending response from the City and the School Board, approve participation of the City and the School Board in the RFP for Health Insurance Services.

Option #4. Approve one or more of the following Opt-Out/Spouse Program for Board and Constitutional Offices.

- A. Provide full payment of medical insurance cost when both spouses work for any Board or Constitutional Office.
- B. Equally distribute between agencies the total medical insurance cost of employees when both spouses work for any separate Board or Constitutional Office.

Additionally, the Board directed staff to provide the following information:

- Listing of comparable counties premium rates, names of HMO's and number available in each market area.
- Analysis of market share by county by vendor
- Comparison of health plan benefit designs between the City, County and the School Board.
- Actuarial analysis of CHP and Vista.
- Consultant analysis of the feasibility of a County self-insurance health program
- Continuation of joint staff committee to study the feasibility of a City/County/ School Board Health Care Consortium
- Inclusion of a provision in the RFP that prohibits claims of adverse selection in the establishment of the employee portion of premium rates.

This information will be provided under a separate cover at a future date.

Staff is also requesting Board approval to waive the Policy requirements, Purchasing and Minority/Women Business Enterprise Policy, Section 5.09, Competitive Sealed Proposals, to expand the number of persons allowed to participate on the RFP Evaluation Committee. Currently, purchasing policy allows only three to five members. In order to provide a representative from each Constitutional Office and the Board an opportunity to participate on the committee, staff recommends Board approval allowing up to seven (7) members to participate on the RFP Evaluation Committee.

Options:

1. Ratify Board actions taken at the February 22, 2005 workshop on County Employee Health Insurance Options.
2. Waive the policy requirements, Purchasing and Minority/Women Business Enterprise Policy, Section 5.09, Competitive Sealed Proposals, to expand the number of members allowed to participate on the RFP Evaluation Committee from three to five members to up to seven members to allow a representative from each Constitutional Office and the Board to participate on the committee.
3. Board Direction.

Recommendation:

Options #1 and #2.

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